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BY FAX ONLY

Dear Ms Maristich

**PASSENGER CIVIL AVIATION SECURITY SERVICE FEE**

I am writing on behalf of the UK charter airlines that serve the US to seek further clarification of the 11 September Security Service Fees (SSF) Interim Final Rule (IFR) and the various guidance letters that have issued from your office since the IFR was published on 31 December.

As a number of the letters that you have received have explained, the nature of the charter business means that there is a concern that as originally drafted the IFR could impose a significant financial burden on the charter airlines.

That is because the charter airlines typically operate under long term contracts with tour operators, who in turn sell their package holidays and/or flights to passengers themselves or through travel agents. The charter airline itself has no contractual or financial relationship with the individual passenger, and even if the tour operator or travel agent receives payment in full for the holiday or flight from the passenger some time in advance of actual travel - and in the charter business it is not uncommon for there to be many months between booking, payment in full and the date of actual travel - the charter airline itself typically does not receive payment from the tour operator or travel agent until the date of travel. So, requiring the charter airline to pay the SSF when the tour operator or travel agent is paid in full may mean that the charter airline will be paying the SSF many months before it has in fact received payment for the flight, and many months before the date of travel. That, clearly, would have significant financial implications for the charter airlines.

Can you confirm, please, that your various letters of clarification issued since the IFR was published mention that, as I have described the relationship above, the charter airline would not be required to pay the SSF until it (as opposed to the tour operator or travel agent) had received payment in full for the flight, or the date of travel, whichever came first?

Finally, more generally, are we right in believing that the IFR as currently worded would require the SSF to be collected for technical stops in the US? In the past, other per passenger type fees imposed have generally been waived for technical stops, so, if the SSF is to apply, what is the rationale for reversing that policy in this instance?

I am copying this to John Hyerly, Deputy Assistant Secretary for Transportation Affairs at the State Department.

Yours sincerely



SIMON KNIGHT  
First Secretary (Transport)